



Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI
JIRO A. SUMADA

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

CONSENT TO SUBLEASE – LEASE NO. DOT-A-06-0011
REPUBLIC AIRWAYS HOLDINGS, INC. TO MOKULELE FLIGHT SERVICE, INC.
HONOLULU INTERNATIONAL AIRPORT
TMK (1) 1-1-72-38 (PORTION OF) OAHU

LEGAL REFERENCE

Subsection 171-36(a) (6), Hawaii Revised Statutes

LESSEE:

Republic Airways Holdings, Inc.

SUBLESSEE:

Mokulele Flight Service, Inc.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, Hawaii, identified by Tax Map Key: 1st Division, 1-1-72: portion of 038, as shown delineated on the attached map labeled Exhibit A.

AREA:

Area/Space No. HNL-009-165, containing a land area of approximately 25,912 square feet of improved, paved prime aeronautical land, together with one (1) building situated thereon. The building was constructed by Mokulele Flight Service, Inc. and is currently owned and maintained by Republic Airways Holdings, Inc. The sublessee wishes to lease the crosshatched portion of the hangar space as shown on Exhibit B.

LEASE TERM AND ANNUAL RENTAL:

Twenty-five (25) years, commencing on February 20, 2007 and expiring on February 19, 2032. Annual rental of \$80,845.44

SUBLEASE TERM:

Upon execution of document and not to exceed February 19, 2032.

SUBLEASE RENT:

\$1.00 per month

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

In accordance with the Comprehensive Exemption List approved by the Environmental Council and dated May 22, 2001, the subject request qualifies under Exemption Class 1 - "Operations, repairs and maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

ZONING:

State Land Use District: Urban
County of Honolulu: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admissions Act - Non-ceded

REMARKS:

The Department of Transportation (DOT) and the original LESSEE, Mokulele Flight Service, Inc. (MFSI), entered into Lease No. DOT-A-06-0011 on February 16, 2007. On May 8, 2009, Item M-2, with the Land Board's and DOT's consent, MFSI assigned the lease to Republic Airways Holdings, Inc. (RAHI). RAHI is requesting to sublease a portion of the premises back to MFSI for the remainder of the lease term to February 19, 2032.

RECOMMENDATION:

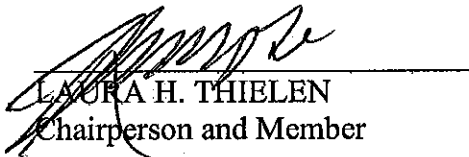
That the Board authorize DOT to approve the Consent to Sublease between Republic Airways Holdings, Inc., as Sublessor and Mokulele Flight Service, Inc., as Sublessee, as hereinabove outlined, subject to: (1) terms and conditions hereinabove outlines, which are by reference incorporated herein; (2) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the Consent to Sublease form and content.

Respectfully submitted,

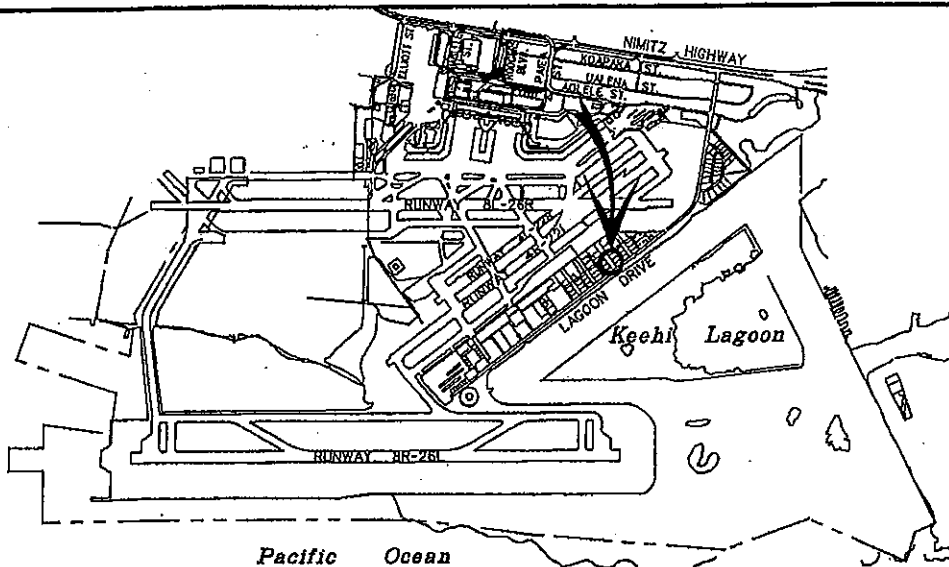


BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:



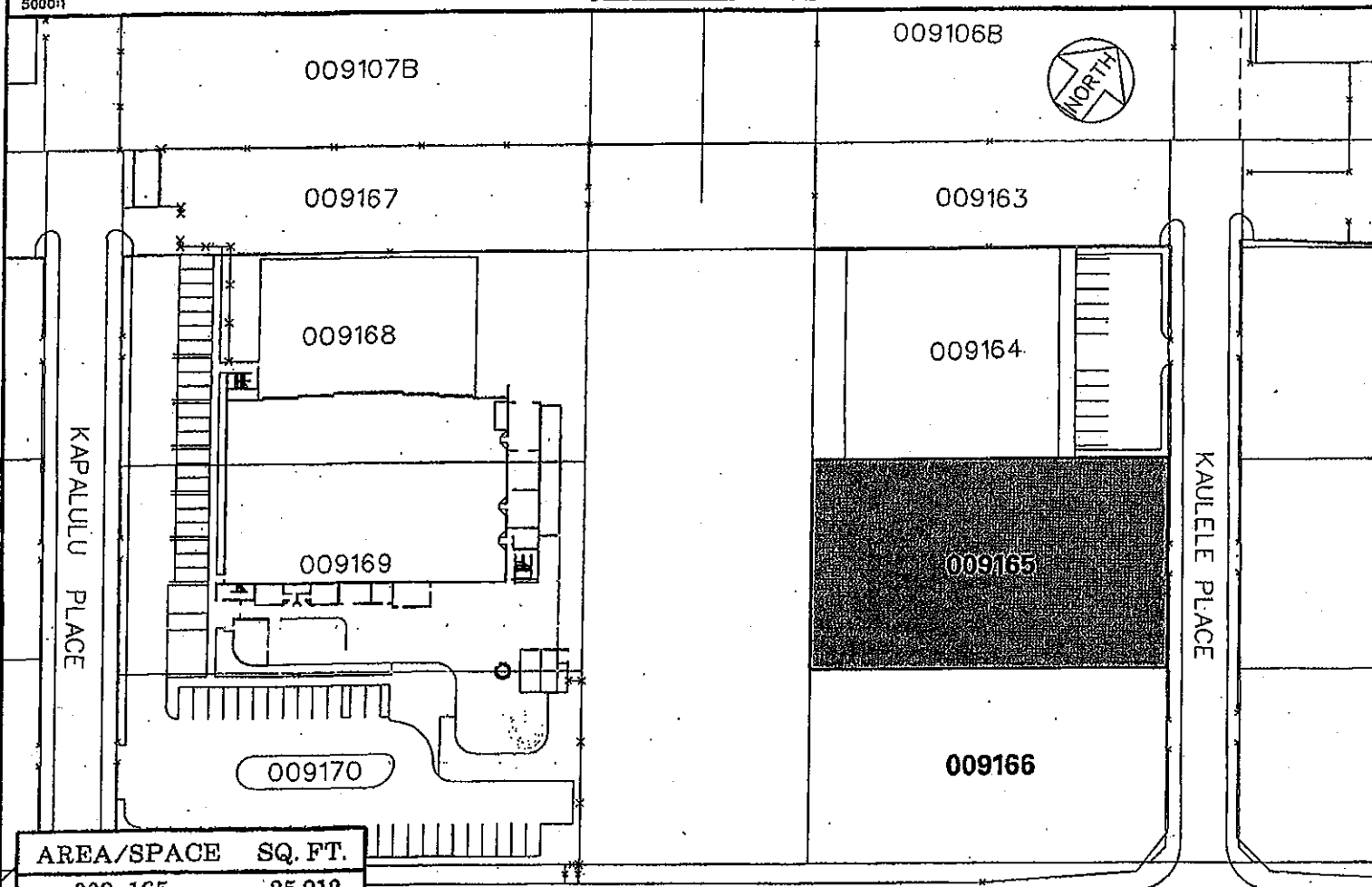
LAURA H. THIELEN
Chairperson and Member



Pacific Ocean

LOCATION PLAN

5000:1



AREA/SPACE	SQ. FT.
009 165	25,912

SCALE: 1"=100'

DATE: JANUARY 2006

EXHIBIT: A



Airports Division

Mokulele Flight Service, Inc.

LOTS
SOUTH RAMP

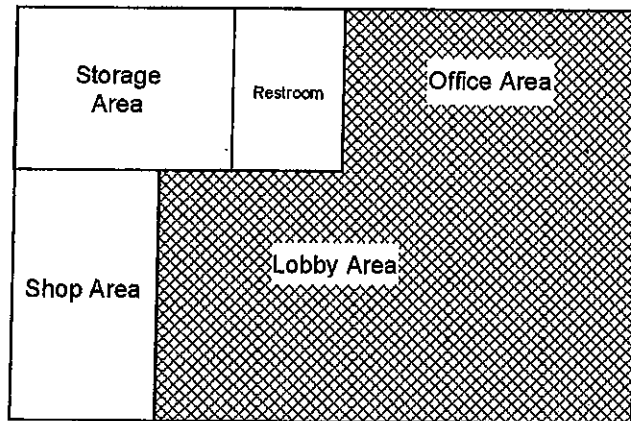
009165

PLAT 36

HONOLULU INTERNATIONAL AIRPORT

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LOWER LEVEL OFFICE AREA



MEZZANINE

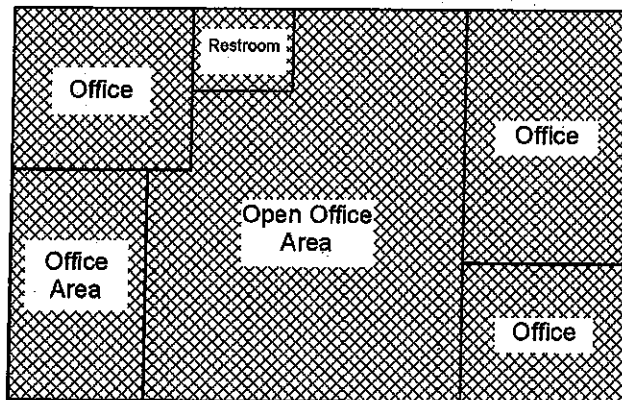


EXHIBIT B



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

May 8, 2009

BRENNON T. MORIOKA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI
JIRO A. SUMADA
IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

CONSENT TO ASSIGNMENT OF STATE LEASE NO. DOT-A-06-0011
MOKULELE FLIGHT SERVICE, INC. TO REPUBLIC AIRWAYS HOLDINGS, INC.
HONOLULU INTERNATIONAL AIRPORT

OAHA

REQUEST:

Consent to Assignment of State Lease No. DOT-A-06-0011 from Mokulele Flight Service, Inc., as Lessee/Assignor, to Republic Airways Holdings, Inc., as Assignee, South Ramp, Honolulu International Airport

LEGAL REFERENCE:

Subsection 171-36(a) (5) (b), Hawaii Revised Statutes, as amended

APPLICANTS:

LESSEE/ASSIGNOR: Mokulele Flight Service, Inc., a Hawaii corporation, having a mailing address at 1100 Alakea Street, Suite 1400, Honolulu, Hawaii 96813

ASSIGNEE: Republic Airways Holdings, Inc. a Delaware corporation, having a mailing address at 8909 Purdue Road, Suite 300, Indianapolis, Indiana 46268

AREA:

Area/Space No. 009-165, containing a land area of approximately 25,912 square feet, as shown on the attached Exhibit A

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1st Division, 1-1-72:38

ZONING:

State Land Use District:	Urban District
City and County of Honolulu:	Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands ("non-ceded" lands) of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ___ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for airport purposes.

CHARACTER OF USE:

Development, construction, operation, and maintenance of a hangar facility

TERM OF LEASE:

Twenty-five (25) years, commencing on February 20, 2007, and terminating on February 19, 2032.

ANNUAL GROUND LEASE RENTAL:

First Five (5) Years (Lease Years 1 through 5): \$80,845.44 per annum, payable in quarterly installments of \$20,211.36, in advance, and based upon: (a) present ground lease rental rate of \$3.12 per square foot per annum for improved, paved prime aeronautical land at Honolulu International Airport.

Second Five (5) Years (Lease Years 6 through 10): \$92,972.26 per annum, payable in quarterly installments of \$23,243.07, in advance, based upon the product of the annual rental for the fifty (5th) year of the lease term (\$80,845.44) and 115%.

REOPENING OF ANNUAL GROUND LEASE RENTAL:

Remaining Three, Five (5)-Year Rent Reopening Periods: The reopening annual ground lease rental for the remaining three, five (5)-year rent reopening periods shall be no greater than a rate of 115% times the rate of the last year of the preceding five (5)-year period, provided however, that should the fair market rental as determined by an independent appraiser whose services shall be contracted for and paid by the Department of Transportation at the time of reopening determine a ground rate less than the 115%, then the ground rate for the reopening five (5)-year period shall be the rate determined by the independent appraiser.

CONSIDERATION:

\$1,832,000.00

RECOMMENDED PREMIUM:

To be determined

DCCA VERIFICATION:

LESSEE/ASSIGNOR:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

ASSIGNEE:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

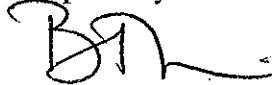
REMARKS:

The Department of Transportation Airports Division has no objects to this assignment of lease request.

RECOMMENDATION:


That the Board approves of and gives its consent to the Assignment of Lease No. DOT-A-06-0011 as herein outlined, subject to: (1) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State, and (2) review and approval of the Department of the Attorney General as to the form and content of the Lessor's Consent to the Assignment of Lease No. DOT-A-06-0011.

Respectfully submitted,

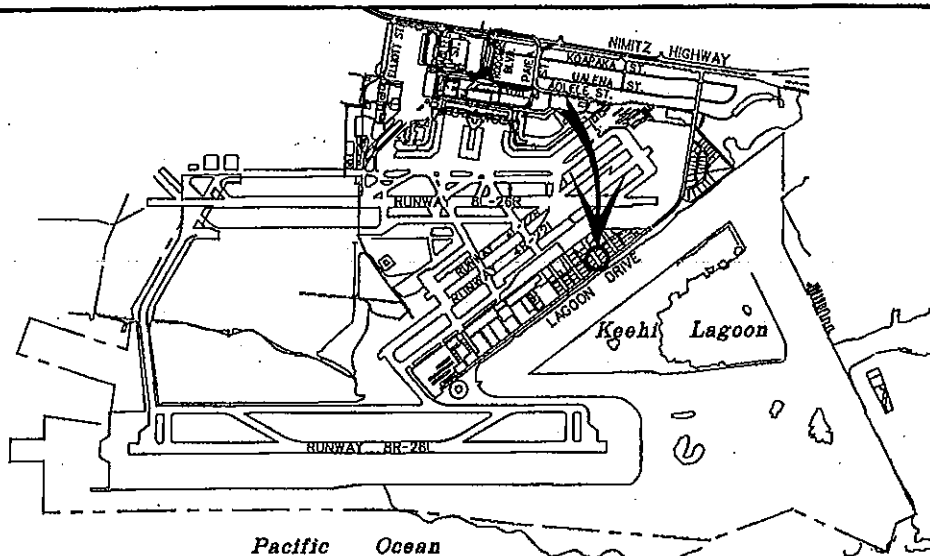


BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation

APPROVED FOR SUBMITTAL:



LAURA H. THIELEN
Chairperson and Member



Pacific Ocean

LOCATION PLAN

5000:1

009107B

0091068

009167

009163

009168

009164

009169

009165

009170

009166

KAPALU PLACE

KAULELE PLACE

AREA/SPACE SQ. FT.

009 165 25,912

SCALE: 1"=100'

DATE: JANUARY 2006

EXHIBIT: A



Airports Division

Mokulele Flight Service, Inc.

LOTS
SOUTH RAMP

009165

PLAT 36

HONOLULU INTERNATIONAL AIRPORT

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